**Definition**

e-Business refers to any form of transaction (exchange) that uses an electronic medium to facilitate the transaction.

e-Business, therefore, can include the following:

* Internet-based companies that operate wholly through the Internet to conduct their business. Examples are eBay and Amazon.
* Companies that combine traditional business formats with information on the business provided via the Internet: for example, Ikea.
* Companies that combine traditional business formats with the opportunity of buying online. Examples include Marks & Spencer, John Lewis, HMV, Tesco and Argos.
* Companies that collect information on customer profiles and markets and sell this information to interested parties for example Experian and Mintel.
* Any device used to facilitate exchange, such as 'Chip and Pin' technology, automatic ticketing, electronic ticketing, credit card transactions and so on.
* Business to business (B2B) activity.
* Using the opportunities that IT presents to improve the flexibility of working patterns

**The Benefits of e-Business**

There are many different benefits of E-commerce and E-business. Some of the benefits of E-commerce include purchases can be made 24 hours a day and 7 days a week, making it available to every place in the world, at any time. Other benefits of E-commerce include a larger marketplace, more secure than using cheques, can increase you sales potential, leads to increased productivity. Benefits of E-business include improved speed of response, cost savings, reduced in inventory, better transfer of best practices, and improved customer service. These are all benefits and advantages of E-commerce and E-Business. The benefits can be summarised as:

* The opportunity to reduce costs of production by reducing overheads - for example, not having a retail outlet in a busy high street location with high rents, reducing stock costs etc
* The opportunity to increase sales
* The opportunity to access new markets across the globe
* The chance to target market segments more effectively
* Provide more accurate information and improve customer service experience
* Improves the efficiency of the supply chain
* Improve employee motivation through more flexible working methods
* Allowing 24/7 access to the firm's products and services
* Provides convenience and comfort for customers
* With the use of e-commerce you can promote your product globally.
* Reduces Time and money spent
* Gives a competitive advantages
* ·Removes Location and availability restrictions
* Heightens customer service

The most profitable e-business or Internet business is one that delivers products electronically, i.e. ebooks, software, reports, white papers, membership sites etc...

**The reason being is that:**

1. You have no overhead cost

2. Once you produce the product, the duplication is very little to nothing

3. You don't have to ship the products